

## GREAT PROBLEMS SOLVED

By Getting at the Bottom Principles on Which They Are Based.

NO. IV.

EDITOR ADVOCATE:—The banking system of our country is a notable example in point. How many are constantly protesting that they can't fathom the secrets of banking nor understand the national bank scheme. And how few do really understand it; and only because they don't think themselves able to comprehend such things, and, therefore, don't try to understand it. Yet it is one of the simplest devices of man, as well as one of the most effective for feathering the nests of the shrewd and cunning who live off the sweat and toil of their fellow beings. And these (the shrewd and cunning) are interested in keeping this fact from their victims, and therefore pretend to a wonderful sleight of hand in the exercise of their craft, and involve it in intricacies and perplexities on purpose to confound the common mind. Therefore, men, as in other cases supposed to be too complicated for the masses to understand, accept the inevitable, and are flattered by the bank authorities that their institution is a dispensary of blessings to the needy and afflicted in pocket and mankind in general that couldn't be spared. And as the masses have no time to philosophize or to seek out the principles of even those things that most concern them, they suffer on till a catastrophe like that we are now undergoing, and which is the legitimate and unavoidable outcome of the system, is precipitated upon the country, as it has been every ten years of our existence as a people, bringing sadness and sorrow to millions, and depression and prostration to all the great industries of the nation.

The old and ordinary system of banking in vogue among us previous and up to the war of the rebellion was bad enough; but we have one now that far transcends that in iniquity; and is as hyperion to a satyr in its capacity to sponge up the proceeds of labor and thus exhaust the energies of the toilers of the land. That conferred upon a select and favored few the power and privilege of issuing their notes, or bills, as they were called, to the amount of \$3 and \$4 for everyone they had on hand to redeem them; and this privilege was so generally stretched to \$10 and \$20 for every dollar held in reserve, and sometimes to the extent of hundreds of dollars, that it might be called the general rule. And I needn't say that this was a privilege not enjoyed by any individual member of society, and therefore was in the nature of a monopoly at war with the principle of equal rights to every member of the body politic which is the fundamental principle of our institutions. And these bills, remember, were nothing more than their own promissory note to pay when they were able or when they chose to pay; and, unlike the note of the less-favored citizens, actually drew interest, instead of paying interest, as the unfavored man is required and compelled to do—and that interest from 6 to 10 per cent, according to the poor man's necessities or the hard-hearted banker's caprice. Yes, actually drew interest on their debts—an anomaly in trade, traffic or business unknown in any other instance of political or social economy. The capitalist, unchartered by government, pays interest on his obligations; but endowed by government with special franchises and privilege beyond those of the rest of mankind, he actually lives and thrives upon what he owes. The toiler or the farmer might rejoice with great joy if the government would

confer a like privilege of issuing their notes and drawing interest, instead of paying interest upon them. But that is not for the farmer or laborer—such is not their destiny, simply because they are farmers, and not financiers; workers, and not schemers; toilers, and not genteel vampires preying upon society.

Of this system an intelligent writer on banking says: "The great facilities which banks afford for the transaction of business, etc., render them agencies of trade of very great usefulness and importance; and when legitimately and properly conducted, no other institution is capable of rendering so much service to society. Banking, legitimately conducted, is purely a matter of private enterprise, and different in no respect from that of an individual following any other pursuit or profession, and therefore should be subject to such laws as partnerships are conducted under. But the generally recognized and acknowledged benefits of banks have led individuals to seek, and governments to bestow, upon them powers and privileges such as are bestowed upon the vocation of no other class of society. We refer more particularly to the power with which banks are clothed by law, of issuing promissory notes nominally payable on demand, to circulate as money. There is no reason why bankers should be invested with this authority any more than any other class of society. The temporary accommodation and relief, which, by reason of this privilege, they are enabled to afford to individuals and from which the community derives a benefit, has blinded society to the far greater evils which flow from the custom."

And another writer in Johnson's Universal Cyclopedia, speaking of this feature of banking says, "The bad practice which originated with the Bank of England was an agreement to pay gold on demand for its inscription of credit. This was to undertake an impossibility. The general debts of a bank are redeemed by its general resources, and these consist mostly of loans and discounts that mature in the future. A more flagrant violation of sound banking was never conceived. It has repeatedly involved the banks of the United States in fatal embarrassment, and brought ruin upon thousands of merchants who were otherwise able to pay their debts. It is not, then, alone the excessive and unfair profits which the system (banks of issue) enables those engaged in it to reap from the public, but the periodical derangement of business and trade, so fruitful of disaster, which it leads to, that renders it so objectionable and obnoxious. And Mr. Jefferson time and again warned his countrymen of the evils and false principles of the system. For example, in 1813: "It will be asked are we to have no banks? Are merchants and others to be deprived of short accommodations so convenient and necessary? I answer, let us have banks, but let them be such as are alone to be found in any country on earth except Great Britain. \* \* No one has a natural right to the trade of a money lender but he who has the money to lend. Let those among us who have the moneyed capital and prefer employing it in loans instead of otherwise, set up banks and give cash or national bills (United States treasury notes) for the notes they discount. It is from Great Britain we copy the idea of giving paper (bank notes) in exchange for discounted bills, \* \* and thus we run into the most servile imitation of all her practices, ruinous as they have proved to her and with a similar gulf yawning before us," in which we are floundering at the present time. And yet Cleveland and Sher-

man and their followers seem determined to adhere to the system—patch it up again and go on with it once more. As was said of the old Bourbons of Europe, they learn nothing and forget nothing. And the British system is not universally approved even at home and by English statesmen; as instructions from Gladstone and others on different occasions attest. But the power of the Bank of England, like that of the second bank of the United States, is too great for anyone without the iron will and popularity of a Jackson to encounter. The Westminster Review, an authoritative organ of public opinion there and an exponent of the conservative party there has said: "In breaking this monopoly of the bank, we should be taking great strides towards the attainment of that ideal system of currency which Sir Robert Peel must have had in view when he passed his currency laws; a system under which the state should be the sole fountain of issue—under which no money should circulate on credit; or if it does it should be on the credit of the state—all bank notes as well as coins bearing the image and superscription of the head of the state and under which all profits upon the issue of money shall form part of the imperial revenue. The power of issue now exercised by the Bank of England and by the English, Irish and Scotch banks, all private corporations, is a relic of feudalism." It is high time this state of things ceased; that all power of issue was gathered into the hands of the state; that all notes but those of the state were suppressed; that the right of issue now vested in the banks were vested in the royal mint, and that the profits upon paper currency were claimed by the state and appropriated \* \* \* to the reduction of taxation," etc., etc. So it appears things are working in the Old World as well as in the New; and that there are cranks there as well as here advocating a government paper currency and making no distinction between the minting of coin or paper. And that is what we shall come to after we have got a surfeit of ridicule and clap-trap from the politicians and the party press and become thoroughly disgusted with that kind of aliment.

Thus we have seen how a single class is clothed with authority to issue a currency and compel all other classes to use it as a circulating medium and pay compound interest for its use; and this is the fundamental principle of the system. There is no sound reason why the government should confer this privilege upon a select few and thus enable them to live and fatten off the toil of community and not upon the farmer, mechanic, manufacturer or any other member of society. How long it takes the money power through the machinery of banks of issue, to rob the people of their annual increase of wealth (3½ per cent.) is not a matter of speculation. Because the experience of seventy-five years demonstrates that the system will bring about a commercial crash every ten years at the farthest. Such a crash is simply a general settlement in the bankrupt court, a wiping out of old scores and a beginning of life and business anew. The system has absorbed all the proceeds of labor and eat up the community who are thus forced into bankruptcy or a confession of judgment, and go to the wall.

A LINN COUNTY FARMER.

## The National Alliance.

A rate of one and one-third fare to the National Council, which meets in Topeka on February 6, has been secured upon the certificate plan from all points in Kansas, Colorado, Nebraska and Oklahoma and Indian territories.

## The Northern Pacific Injunction.

When Jefferson predicted that our judicial system would finally destroy our liberties, he uttered a prophecy which the close of the nineteenth century is fulfilling to the letter. Within the past two years the courts have been used against the liberty of the people with greater force than the plutocratic press or the plutocrats' armies ever have been. Within the short space of a few months these courts have moved swiftly from the point of remonstrance against the act of employees quitting the service of a corporation while the trip or work immediately in hand was but partially finished, to the point where they autocratically order a man living 1,000 miles from the scene of a threatened strike to desist from even expressing an opinion to his fellow laborers.

This is practically what occurred on the Northern Pacific. When the company was getting ready to reduce wages it was also preparing its injunctions. It covered the ground thoroughly. Not only were its employees enjoined from striking or speaking to any man who might take their places, but the chief executives of the organizations, including the Knights of Labor, had their lips tightly closed by law. The injunction provided that they shall in no way interfere with the regularly moving of cars; that no word shall be spoken which might interfere with the regular movement of freight and passengers, and that no power or influence shall be exercised that would bring about any strike on the Northern Pacific railway.

This cast iron gag, which could be successfully used on the citizens of no other country, unless it be Russia, will be good for a year, at least, as it has been appealed to the supreme court, which will be in no hurry to dissolve it. And so, step by step, with increasing speed we have reached the point where the prison's shadow falls across the path of organized labor. Is there no remedy? None, until we have sense enough to get together as an army of voters strong enough to establish the courts ourselves. —Railway Times, January 15.

## Central Committee Meeting.

There will be a meeting of the Populist central committee of Shawnee county at the league rooms in the Office block, east of the post office, on Saturday, January 17, at 1 o'clock. A full attendance of the committee is requested, as important business is to be transacted.

## TO OUR SUBSCRIBERS.

The SPECIAL ANNOUNCEMENT which appeared in our columns some time since, announcing a special arrangement with Dr. B. J. Kendall Co., of Enosburgh Falls, Vt., publishers of "A Treatise on the Horse and his Diseases," whereby our subscribers were enabled to obtain a copy of that valuable work FREE by sending their address (and inclosing a two-cent stamp for mailing same) to Dr. B. J. Kendall Co., is renewed for a limited period. We trust all will avail themselves of the opportunity of obtaining this valuable work. To every lover of the horse it is indispensable, as it treats in a simple manner all the diseases which afflict this noble animal. Its phenomenal sale throughout the United States and Canada makes it standard authority. MENTION THIS PAPER WHEN SENDING FOR THE TREATISE.

**\$4.95 VIOLIN** This is a bargain. We guarantee it equal in appearance to a \$25 instrument. It is a beautiful Italian model made of selected seasoned wood; double back ebony finish, tall piece, finger board and pegs. We sell this violin as an advertisement, and will furnish elegant full length bow, fancy marbled finished pasteboard box and piece of rosin. This instrument will be strung with first-class strings, bridge will be well fitted. If you want a violin, now is the time to buy. Money refunded if not satisfactory. Sent to your nearest express office, C. O. D., for free examination before you pay your money. J. W. JENKINS, 808½ Main street, Kansas City, Mo., wholesale music house.